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**CITY OF WHEATLAND
WHEATLAND, CALIFORNIA
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**CITY OF WHEATLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Wheatland, California

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wheatland, California as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Wheatland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wheatland, California as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 and budgetary comparison information on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wheatland, California's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.


Don Cole & Company
Sacramento, California

December 21, 2016

**CITY OF WHEATLAND
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2016**

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This Management's Discussion and Analysis (MD&A) is a Government Accounting Standards Board Statement 34 (GASB 34) requirement. It should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. The MD&A presents a narrative overview and analysis of the financial performance of the City.

FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year 2015/16 include the following:

Entity-wide:

- The City's net position decreased by \$254,780 during the year. Net position of governmental activities increased by \$40,180 and net position of business activities decreased by \$(294,960). The decrease in business activity net position is primarily the result of normal depreciation of the Water and Sewer equipment without significant new investment in the systems.
- The total revenues from all sources for the year were \$3,951,711.
- The total cost of all City programs for the year was \$4,206,491.

Fund level:

- Governmental Fund Balances increased to \$1,706,950 from \$1,679,436 for the prior year.
- Governmental Fund revenues totaled \$2,268,799 for the year, an increase of \$102,125 from the prior year.
- Governmental Fund expenditures totaled \$2,438,832 representing an increase of \$151,634 compared to the prior year. This was spread over General Government, Public Safety functions and Capital Outlay.

General Fund:

- The General Fund reported revenues of \$1,882,980, an increase of \$168,780 from the prior year. General Fund expenditures of \$1,883,589 represent an increase of \$205,112 from the prior year.
- General Fund other financing sources and uses for the year were a transfer in of \$351,491 which was largely the result of the indirect cost allocation process and a transfer out of \$201,076 largely due to transfers for Street Maintenance.
- Actual resources received in the General Fund exceeded the final budget by \$462,160. The actual expenditures were \$229,589 over the budget. The positive revenue variance is largely due to Property, Sales and Transaction Tax revenue of \$196,812 over budget. The City has reserved an additional \$275,565 of Transaction Tax revenue this year pending potential future claims. The negative expenditure variance is primarily due to Planning and Engineering services on grant projects which are to be reimbursed.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$1,469,994.

USING THIS ANNUAL REPORT

The discussion and analysis that follows is intended to serve as an introduction to the City's basic financial statements. These statements are comprised of three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements and (3) Notes to Financial Statements. This report also contains required and other Supplementary information provided in addition to the basic financial statements.

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Reporting the City as a Whole

The government-wide financial statements are designed to provide the readers with a broad overview of the City's finances, presented in a format similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with differences between the two reported as net position. Net position increase or decrease each year based on whether government-wide revenues exceeded the related expenses (increase), or government-wide expenditures exceeded revenues (decrease). The change in net position over time may provide a useful tool in measuring whether or not the financial position of the City is improving or deteriorating.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (government activity) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety, public works and facilities, parks and recreation, and general city administration responsibilities. The business-type activities of the City include water and sewer utility operations.

The government-wide financial statements include the City only (known as the primary government). There are no component or blended component units that are part of the City's operations.

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City also establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal or contractual responsibilities. All of the funds of the City can be divided into the following categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Most of the City's basic services are reported in governmental funds. These funds focus on how money flows into and out of these funds and balances left at year end that are available for subsequent expenditures. These funds are reported using an accounting method called modified accrual which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Wheatland maintains several individual government funds organized according to their type (special revenue, capital projects, etc.). The fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year and result of changes in the pattern or the City's activities. Information is presented separately in the governmental funds balance sheet and in the governmental funds statements of revenues, expenditures and changes in fund balances for the following major funds:

- General Fund

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements."

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges customers. Proprietary funds are meant to be financially self-supporting. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City's proprietary funds are presented as major funds and are used to account for the water and sewer services provided by the City.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties other than the City. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund activity is excluded from the City's other financial statements, because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to Financial Statements

The notes to the financial statements provide additional information for readers that are essential for a full understanding of the data provided in the government-wide and fund financial statements.

Combining Statements

The combining statements are presented immediately following the notes to the financial statements.

FINANCIAL ACTIVITY OF THE CITY AS A WHOLE

This analysis focuses on the net position and changes in net position of the City as a whole.

Table 1
SUMMARY OF NET POSITION
AS OF JUNE 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>TOTALS</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
ASSETS:						
Current and other assets	\$ 1,824,690	\$ 1,782,931	\$ 7,836,125	\$ 7,818,631	\$ 9,660,815	\$ 9,601,562
Capital assets, net	<u>4,469,897</u>	<u>4,473,210</u>	<u>7,603,855</u>	<u>8,048,471</u>	<u>12,073,752</u>	<u>12,521,681</u>
TOTAL ASSETS	<u>\$ 6,294,587</u>	<u>\$ 6,256,141</u>	<u>\$15,439,980</u>	<u>\$15,867,102</u>	<u>\$21,734,567</u>	<u>\$22,123,243</u>
LIABILITIES:						
Liabilities due after one year	\$ 192,675	\$ 201,578	\$ 6,721,199	\$ 6,848,353	\$ 6,913,874	\$ 7,049,931
Other liabilities	<u>165,179</u>	<u>158,010</u>	<u>232,113</u>	<u>237,121</u>	<u>397,292</u>	<u>395,131</u>
TOTAL LIABILITIES	<u>\$ 357,854</u>	<u>\$ 359,588</u>	<u>\$ 6,953,312</u>	<u>\$ 7,085,474</u>	<u>\$ 7,311,166</u>	<u>\$ 7,445,062</u>
NET POSITION:						
Invested in capital assets	\$ 4,543,137	\$ 4,554,902	\$ 4,900,993	\$ 5,280,931	\$ 9,444,130	\$ 9,835,833
Restricted	24,187	162,168	7,816,848	7,798,583	7,841,035	7,960,751
Unrestricted	<u>1,369,409</u>	<u>1,179,483</u>	<u>(4,231,173)</u>	<u>(4,297,886)</u>	<u>(2,861,764)</u>	<u>(3,118,403)</u>
TOTAL NET POSITION	<u>\$ 5,936,733</u>	<u>\$ 5,896,553</u>	<u>\$ 8,486,668</u>	<u>\$ 8,781,628</u>	<u>\$14,423,401</u>	<u>\$14,678,181</u>

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE 2
CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>TOTALS</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
PROGRAM REVENUES:						
Charges for services	\$ 282,758	\$ 297,681	\$ 1,651,978	\$1,601,490	\$ 1,934,736	\$ 1,899,171
Operating grants	124,121	102,167	-	-	124,121	102,167
Capital grants	138,612	-	-	-	138,612	-
GENERAL REVENUES:						
Property taxes	435,211	361,483	-	-	435,211	361,483
Sales and use taxes	401,799	423,612	-	-	401,799	423,612
Contingent transaction tax	275,565	236,267	-	-	275,565	236,267
Reimbursements	54,915	219,777	-	-	54,915	219,777
Intergovernmental	84,459	108,929	-	-	84,459	108,929
Impact fees	-	-	-	-	-	-
Motor vehicle in-lieu	291,074	254,181	-	-	291,074	254,181
Franchise fees	94,651	77,509	-	-	94,651	77,509
Other revenues	37,565	32,710	-	-	37,565	32,710
Investment income	<u>48,069</u>	<u>52,358</u>	<u>30,934</u>	<u>156,298</u>	<u>79,003</u>	<u>208,656</u>
TOTAL REVENUES	<u>2,268,799</u>	<u>2,166,674</u>	<u>1,682,912</u>	<u>1,621,047</u>	<u>3,951,711</u>	<u>3,787,721</u>
EXPENSES:						
Governmental activities:						
General government	526,346	528,117	-	-	526,346	528,117
Public safety	1,096,788	1,013,602	-	-	1,096,788	1,013,602
Public works	337,539	315,581	-	-	337,539	315,581
Parks and recreation	56,619	56,320	-	-	56,619	56,320
Community development	395,428	370,713	-	-	395,428	370,713
Interest expense	4,195	4,624	-	-	4,195	4,624
Business-type activities:						
Water	-	-	812,572	830,725	812,572	830,725
Sewer	<u>-</u>	<u>-</u>	<u>977,004</u>	<u>970,595</u>	<u>977,004</u>	<u>970,595</u>
TOTAL EXPENSES	<u>2,416,915</u>	<u>2,288,957</u>	<u>1,789,576</u>	<u>1,801,320</u>	<u>4,206,491</u>	<u>4,090,277</u>
DEFICIENCY OF REVENUES UNDER EXPENSES	(148,116)	(122,283)	(106,664)	(180,273)	(254,780)	(302,556)
TRANSFERS	188,296	156,298	(188,296)	(156,298)	-	-
SPECIAL ITEMS	<u>-</u>	<u>182,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,771</u>
CHANGE IN NET POSITION	<u>40,180</u>	<u>34,015</u>	<u>(294,960)</u>	<u>(336,571)</u>	<u>(254,780)</u>	<u>(119,785)</u>
NET POSITION, July 1	5,896,553	5,679,767	8,781,628	9,118,199	14,678,181	14,797,966
NET POSITION, June 30	<u>\$ 5,936,733</u>	<u>\$ 5,896,553</u>	<u>\$ 8,486,668</u>	<u>\$8,781,628</u>	<u>\$14,423,401</u>	<u>\$14,678,181</u>

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following tables show the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenues generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. For the fiscal years ended June 30, 2016 and 2015, the net costs are as follows:

TABLE 3a
NET COST OF MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Total cost of services</u>	<u>Charges for services</u>	<u>Operating grants</u>	<u>Capital grants</u>	<u>Net (cost) revenue of services</u>
GOVERNMENTAL ACTIVITIES:					
General government	\$ 526,346	\$ 179,744	\$ -	\$ -	\$ (346,602)
Public safety	1,096,788	52,280	124,121	-	(920,387)
Public works	337,539	-	-	138,612	(198,927)
Parks & recreation	56,619	50,734	-	-	(5,885)
Community development	395,428	-	-	-	(395,428)
Interest expense	4,195	-	-	-	(4,195)
	<u>\$ 2,416,915</u>	<u>\$ 282,758</u>	<u>\$ 124,121</u>	<u>\$ 138,612</u>	<u>\$ (1,871,424)</u>

TABLE 3b
NET COST OF MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Total cost of services</u>	<u>Charges for services</u>	<u>Operating grants</u>	<u>Capital grants</u>	<u>Net (cost) revenue of services</u>
GOVERNMENTAL ACTIVITIES:					
General government	\$ 528,117	\$ 169,566	\$ -	\$ -	\$ (358,551)
Public safety	1,013,602	81,058	102,167	-	(830,377)
Public works	315,581	-	-	-	(315,581)
Parks & recreation	56,320	47,057	-	-	(9,263)
Community development	370,713	-	-	-	(370,713)
Interest expense	4,624	-	-	-	(4,624)
	<u>\$ 2,288,957</u>	<u>\$ 417,685</u>	<u>\$ 155,972</u>	<u>\$ -</u>	<u>\$ (1,889,109)</u>

TABLE 4
CHANGES IN BUSINESS-TYPE NET POSITION
NET REVENUES (EXPENSES) FROM SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30,

	<u>2016</u>			<u>2015</u>		
	<u>Operating Expenses</u>	<u>Charges for services</u>	<u>Net (cost) revenue of services</u>	<u>Operating Expenses</u>	<u>Charges for services</u>	<u>Net (cost) revenue of services</u>
Water	\$ 812,572	\$ 778,735	\$ (33,837)	\$ 830,725	\$ 756,357	\$ (74,368)
Sewer	977,004	873,243	(103,761)	970,595	845,133	(125,462)
	<u>\$ 1,789,576</u>	<u>\$ 1,651,978</u>	<u>\$ (137,598)</u>	<u>\$ 1,801,320</u>	<u>\$ 1,601,490</u>	<u>\$ (199,830)</u>

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

GOVERNMENTAL ACTIVITIES

Table 3a and 3b illustrate that general governmental services are funding primarily with tax revenues and not fees for services.

BUSINESS-TYPE ACTIVITIES

Both Water and Sewer utility revenues increased as a result of annual cost of living rate increases.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, is located in the Required Supplementary Information, and shows the difference between the budgeted revenues and expenditures and the actual amounts received and expended. In total, revenues were over budget by 32.53% and expenditures were over budget by 13.88%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The City has recorded all of its capital assets including infrastructure that were not recorded in prior years. Capital assets include police and fire equipment, buildings, park facilities, street and storm drainage improvements and water and sewer facilities.

The cost of infrastructure and other capital assets recorded on the City's financial statements was as shown below:

TABLE 5
CAPITAL ASSETS, NET OF DEPRECIATION
AS OF JUNE 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>TOTALS</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Capital assets, not being depreciated:						
Land	\$ 86,063	\$ 86,063	\$ 33,937	\$ 33,937	\$ 120,000	\$ 120,000
Construction in progress	392,293	269,543	899,328	899,328	1,291,621	1,168,871
Depreciable capital assets, net:						
Buildings and improvements	1,931,932	1,994,927	147,947	145,493	2,079,879	2,140,420
Infrastructure	1,768,433	1,867,831	-	-	1,768,433	1,867,831
Water system improvements	-	-	2,704,877	2,816,428	2,704,877	2,816,428
Well rehab projects	-	-	435,517	432,368	435,517	432,368
Sewer system improvements	-	-	3,167,548	3,444,956	3,167,548	3,444,956
Vehicles	203,820	174,021	15,399	19,799	219,219	193,820
Machinery and equipment	87,356	80,825	199,301	256,161	286,657	336,986
TOTAL	<u>\$ 4,469,897</u>	<u>\$ 4,473,210</u>	<u>\$ 7,603,855</u>	<u>\$8,048,471</u>	<u>\$12,073,752</u>	<u>\$12,521,681</u>

Debt Administration

At year-end, the City had \$6,921,593 in loans and leases payable outstanding compared to \$7,051,233 at June 30, 2015. The City's construction loan with the US Department of Agriculture Rural Development (USDA) decreased \$108,500 during the year.

The City entered into an infrastructure funding agreement with the Wheatland School District and Forecast Homes in October 2002. Through this agreement, City infrastructure was built by the Wheatland School District and Forecast Homes for the cost of the improvements that exceeds what was needed to serve their projects. Under the agreement, this debt is repaid as future impact fees are collected and does not bear interest.

CITY OF WHEATLAND, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE 6
OUTSTANDING DEBT
AS OF JUNE 30,

	Governmental Activities		Business-type Activities		TOTALS	
	2016	2015	2016	2015	2016	2015
Payable to developer	\$ 128,338	\$ 128,338	\$ -	\$ -	\$ 128,338	\$ 128,338
US Department of Agriculture						
Loan #1	-	-	1,646,000	1,679,000	1,646,000	1,679,000
Loan #3	-	-	947,000	966,000	947,000	966,000
Sewer Loan	-	-	3,565,900	3,622,400	3,565,900	3,622,400
Obligations under capital lease	73,240	81,692	109,862	122,540	183,102	204,232
Wheatland Westside Infra- structure Funding Agreement	-	-	579,591	579,591	579,591	579,591
TOTAL	<u>\$ 201,578</u>	<u>\$ 210,030</u>	<u>\$ 6,848,353</u>	<u>\$6,969,531</u>	<u>\$ 7,049,931</u>	<u>\$ 7,179,561</u>

Economic Factors and Next Year's Budget

The City adopted a General Fund budget for 2016-2017 that reflected a balanced budget. The 2016-2017 budget included an across the board 3.0 percent salary increase for all City employees. Property Tax revenues remain sluggish although there continues to be a slow upward trend. Sales and Use Tax revenues remain strong and the one-half percent Transactions Tax has been in effect over five years now and continues to provide revenues at an unanticipated level. The City has reserved a large portion of the Transactions Tax revenue as a hedge against future claims.

The Developer that the City expected to be building new homes in 2016 has not executed their final maps and has not started to build their infrastructure or their homes. However, there is another Developer that is working diligently to complete their mapping and other requirements and we anticipate we will see some level of activity in the 2017 building season from this entity.

The City has completed the annexation of approximately 4,500 acres to the City. While preliminary planning is continuing for this annexation area there are no immediate development plans for any of the property.

The City is continuing to provide the basic level of services to the citizens of the City. It is not anticipated to increase this level of service until such time as development activity requires the City to increase the staffing level to provide the services required by such activity.

Contacting the City

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City at 111 C Street, Wheatland, California 95692, telephone (530) 633-2761.

**CITY OF WHEATLAND
BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

CITY OF WHEATLAND, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF NET POSITION AS OF JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,211,479	\$ 4,748,459	\$ 5,959,938
Receivables:			
Accounts receivable	380,023	36,625	416,648
Interest receivable	-	65,218	65,218
Due from other governments	11,190	-	11,190
Due from developers	15,323	-	15,323
Due from Agency funds	156,952	-	156,952
Internal balances	(153,258)	153,258	-
Restricted assets:			
Cash and cash equivalents	-	340,498	340,498
TOTAL CURRENT ASSETS	<u>1,621,709</u>	<u>5,344,058</u>	<u>6,695,767</u>
NONCURRENT ASSETS:			
Notes and loans receivable	202,981	2,492,067	2,695,048
Capital assets, net	<u>4,469,897</u>	<u>7,603,855</u>	<u>12,073,752</u>
TOTAL NONCURRENT ASSETS	<u>4,672,878</u>	<u>10,095,922</u>	<u>14,768,800</u>
TOTAL ASSETS	<u>\$ 6,294,587</u>	<u>\$ 15,439,980</u>	<u>\$ 21,734,567</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	\$ 68,473	\$ 10,600	\$ 79,073
Accrued payroll liabilities	33,873	19,644	53,517
Interest payable	-	35,383	35,383
Compensated absences	38,536	39,332	77,868
Deferred revenue	15,394	-	15,394
Obligations under capital lease, due within one year	8,903	13,354	22,257
Long-term debt, due within one year	-	113,800	113,800
TOTAL CURRENT LIABILITIES	<u>165,179</u>	<u>232,113</u>	<u>397,292</u>
NONCURRENT LIABILITIES:			
Payable to developer	128,338	-	128,338
Infrastructure funding agreement	-	579,591	579,591
Obligations under capital lease, due after one year	64,337	96,508	160,845
Long-term debt, due after one year	-	6,045,100	6,045,100
TOTAL NONCURRENT LIABILITIES	<u>192,675</u>	<u>6,721,199</u>	<u>6,913,874</u>
TOTAL LIABILITIES	<u>\$ 357,854</u>	<u>\$ 6,953,312</u>	<u>\$ 7,311,166</u>
NET POSITION:			
Invested in capital assets, net of related debt	\$ 4,543,137	\$ 4,900,993	\$ 9,444,130
Restricted for:			
Restricted development impact fees	-	7,816,848	7,816,848
Capital projects	24,187	-	24,187
Unrestricted	<u>1,369,409</u>	<u>(4,231,173)</u>	<u>(2,861,764)</u>
TOTAL NET POSITION	<u>\$ 5,936,733</u>	<u>\$ 8,486,668</u>	<u>\$ 14,423,401</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

			Program Revenues	
			Grants and	
			Other Contributions	
	Operating	Charges for	Operating	Capital
	Expenses	Services		
GOVERNMENTAL ACTIVITIES:				
General government	\$ 526,346	\$ 179,744	\$ -	\$ -
Public safety	1,096,788	52,280	124,121	-
Public works	337,539	-	-	138,612
Parks & recreation	56,619	50,734	-	-
Community development	395,428	-	-	-
Interest expense	4,195	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>2,416,915</u>	<u>282,758</u>	<u>124,121</u>	<u>138,612</u>
BUSINESS-TYPE ACTIVITIES:				
Water	812,572	778,735	-	-
Sewer	977,004	873,243	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>1,789,576</u>	<u>1,651,978</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENT	<u>\$ 4,206,491</u>	<u>\$ 1,934,736</u>	<u>\$ 124,121</u>	<u>\$ 138,612</u>

GENERAL REVENUES:

Property taxes
Sales and use taxes
Contingent transaction tax
Reimbursements
Intergovernmental
Motor vehicle in-lieu
Franchise fees
Other revenues
Investment income

TRANSFERS

SPECIAL ITEMS

TOTAL GENERAL REVENUES AND OTHER

CHANGES IN NET POSITION

Net position, beginning of year

NET POSITION, END OF YEAR

Net (Expenses) Revenue

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (346,602)	\$ -	\$ (346,602)
(920,387)	-	(920,387)
(198,927)	-	(198,927)
(5,885)	-	(5,885)
(395,428)	-	(395,428)
<u>(4,195)</u>	<u>-</u>	<u>(4,195)</u>
<u>(1,871,424)</u>	<u>-</u>	<u>(1,871,424)</u>
-	(33,837)	(33,837)
<u>-</u>	<u>(103,761)</u>	<u>(103,761)</u>
<u>-</u>	<u>(137,598)</u>	<u>(137,598)</u>
<u>(1,871,424)</u>	<u>(137,598)</u>	<u>(2,009,022)</u>
435,211	-	435,211
401,799	-	401,799
275,565	-	275,565
54,915	-	54,915
84,459	-	84,459
291,074	-	291,074
94,651	-	94,651
37,565	-	37,565
48,069	30,934	79,003
188,296	(188,296)	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>1,911,604</u>	<u>(157,362)</u>	<u>1,754,242</u>
40,180	(294,960)	(254,780)
<u>5,896,553</u>	<u>8,781,628</u>	<u>14,678,181</u>
<u>\$ 5,936,733</u>	<u>\$ 8,486,668</u>	<u>\$ 14,423,401</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

BALANCE SHEET GOVERNMENTAL FUNDS AS OF JUNE 30, 2016

	<u>Major</u>	<u>Nonmajor</u>	
	General Fund	Aggregate Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 947,088	\$ 264,391	\$ 1,211,479
Receivables:			
Accounts receivable	185,952	194,071	380,023
Interest receivable	-	-	-
Loans receivable	-	202,981	202,981
Due from other governments	184	11,006	11,190
Due from developers	15,323	-	15,323
Due from other funds	<u>410,236</u>	<u>237,770</u>	<u>648,006</u>
TOTAL ASSETS	<u>\$ 1,558,783</u>	<u>\$ 910,219</u>	<u>\$ 2,469,002</u>
LIABILITIES:			
Accounts payable	44,557	23,916	68,473
Accrued payroll liabilities	30,067	3,806	33,873
Deferred revenue	14,165	1,229	15,394
Due to other funds	<u>-</u>	<u>644,312</u>	<u>644,312</u>
TOTAL LIABILITIES	<u>88,789</u>	<u>673,263</u>	<u>762,052</u>
FUND BALANCES:			
Non-spendable for long-term receivables:			
General fund	-	202,981	202,981
Restricted for capital projects:			
Capital projects funds	-	24,187	24,187
Committed:			
Insurance reserve:			
General fund	30,000	-	30,000
Unassigned:			
General fund	1,439,994	-	1,439,994
Special revenue funds	<u>-</u>	<u>9,788</u>	<u>9,788</u>
TOTAL FUND BALANCES	<u>1,469,994</u>	<u>236,956</u>	<u>1,706,950</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,558,783</u>	<u>\$ 910,219</u>	<u>\$ 2,469,002</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total fund balances, governmental funds		\$ 1,706,950
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		4,469,897
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet:		
Developer deposits	(128,338)	
Obligations under capital lease	(73,240)	(201,578)
Compensated absences in the general fund are not due and payable in the current period and therefore are not reported in the general fund.		(38,536)
Total net position – governmental funds		<u>\$ 5,936,733</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Major</u>	<u>Nonmajor</u>	
	General	Aggregate Nonmajor	Total
	Fund	Governmental Funds	Governmental Funds
REVENUES:			
Tax revenues	\$ 1,408,312	\$ 174,447	\$ 1,582,759
Intergovernmental revenues	41,949	78,707	120,656
Licenses, fees and permits	150,236	-	150,236
Charges for services	1,535	-	1,535
Fines, forfeitures and penalties	10,331	-	10,331
Reimbursements and refunds	54,915	-	54,915
Use of money and property	47,600	469	48,069
Grant revenue	138,612	124,121	262,733
Other revenue	<u>29,490</u>	<u>8,075</u>	<u>37,565</u>
TOTAL REVENUES	<u>1,882,980</u>	<u>385,819</u>	<u>2,268,799</u>
EXPENDITURES:			
Current:			
General government	390,899	25,123	416,022
Public safety	914,077	120,000	1,034,077
Community development	395,428	-	395,428
Public works	-	234,871	234,871
Parks & recreation	56,619	-	56,619
Debt service:			
Principal	8,452	-	8,452
Interest	4,195	-	4,195
Capital outlay	<u>113,919</u>	<u>175,249</u>	<u>289,168</u>
TOTAL EXPENDITURES	<u>1,883,589</u>	<u>555,243</u>	<u>2,438,832</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(609)</u>	<u>(169,424)</u>	<u>(170,033)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	351,491	223,900	575,391
Transfers out	<u>(201,076)</u>	<u>(176,768)</u>	<u>(377,844)</u>
TOTAL OTHER FINANCING	<u>150,415</u>	<u>47,132</u>	<u>197,547</u>
NET CHANGE IN FUND BALANCES	<u>149,806</u>	<u>(122,292)</u>	<u>27,514</u>
FUND BALANCE, July 1	1,523,169	156,267	1,679,436
Prior period adjustment	<u>(202,981)</u>	<u>202,981</u>	<u>-</u>
FUND BALANCE, July 1 restated	<u>1,320,188</u>	<u>359,248</u>	<u>1,679,436</u>
FUND BALANCE, June 30	<u>\$ 1,469,994</u>	<u>\$ 236,956</u>	<u>\$ 1,706,950</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total net change in fund balance, governmental funds	\$ 27,514
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Amounts reported for governmental activities in the statement of activities are different from amounts reported in government funds because:

Capital outlays are reported in government funds as expenditures. However, in the government-wide Statement of Activities and changes in net position, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.

Capital asset additions and deletions	289,168
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Depreciation expense on capital assets is reported in the government-wide Statement of Activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.

	(292,481)
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Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment and other reductions of principal are expenditures in the governmental funds, but in the Statement of Net Position the changes reduce long-term liabilities.

Payments on lease obligation on City Hall	8,452
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Decrease in the compensated absences balance	<u>7,527</u>
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Change in net position – governmental activities	<u>\$ 40,180</u>
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See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS AS OF JUNE 30, 2016

	<u>Major Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 135,156	\$ 4,613,303	\$ 4,748,459
Receivables:			
Accounts receivable	16,127	20,498	36,625
Interest receivable	-	65,218	65,218
Due from other funds	-	403,341	403,341
Restricted assets:			
Cash and cash equivalents	<u>175,698</u>	<u>164,800</u>	<u>340,498</u>
TOTAL CURRENT ASSETS	<u>326,981</u>	<u>5,267,160</u>	<u>5,594,141</u>
NONCURRENT ASSETS:			
Note receivable	-	2,492,067	2,492,067
Non-depreciable capital assets	16,969	916,297	933,266
Depreciable capital assets, net	<u>3,285,176</u>	<u>3,385,413</u>	<u>6,670,589</u>
TOTAL NON CURRENT ASSETS	<u>3,302,145</u>	<u>6,793,777</u>	<u>10,095,922</u>
TOTAL ASSETS	<u>\$ 3,629,126</u>	<u>\$ 12,060,937</u>	<u>\$ 15,690,063</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	\$ 5,713	\$ 4,887	\$ 10,600
Accrued payroll liabilities	9,834	9,810	19,644
Interest payable	10,106	25,277	35,383
Compensated absences	19,666	19,666	39,332
Due to other funds	250,083	-	250,083
Obligations under capital lease, due within one year	6,677	6,677	13,354
Long-term debt, due within one year	<u>55,000</u>	<u>58,800</u>	<u>113,800</u>
TOTAL CURRENT LIABILITIES	<u>357,079</u>	<u>125,117</u>	<u>482,196</u>
NONCURRENT LIABILITIES:			
Infrastructure funding agreement	87,769	491,822	579,591
Obligations under capital lease, due after one year	48,254	48,254	96,508
Long-term debt, due after one year	<u>2,538,000</u>	<u>3,507,100</u>	<u>6,045,100</u>
TOTAL NONCURRENT LIABILITIES	<u>2,674,023</u>	<u>4,047,176</u>	<u>6,721,199</u>
TOTAL LIABILITIES	<u>3,031,102</u>	<u>4,172,293</u>	<u>7,203,395</u>
NET POSITION:			
Invested in capital assets, net of related debt	654,214	4,246,779	4,900,993
Expendable restricted development impact fees	-	7,852,169	7,852,169
Unrestricted	<u>(56,190)</u>	<u>(4,210,304)</u>	<u>(4,266,494)</u>
TOTAL NET POSITION	<u>598,024</u>	<u>7,888,644</u>	<u>8,486,668</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,629,126</u>	<u>\$ 12,060,937</u>	<u>\$ 15,690,063</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Major Funds		
	Water	Sewer	Total
OPERATING REVENUES:			
Utility revenue	\$ 764,541	\$ 856,607	\$ 1,621,148
Other revenue	<u>14,194</u>	<u>16,636</u>	<u>30,830</u>
TOTAL OPERATING REVENUES	<u>778,735</u>	<u>873,243</u>	<u>1,651,978</u>
OPERATING EXPENSES:			
Salaries and benefits	304,659	313,571	618,230
Operations and maintenance	210,980	185,519	396,499
Depreciation and amortization expense	<u>175,931</u>	<u>325,343</u>	<u>501,274</u>
TOTAL OPERATING EXPENSES	<u>691,570</u>	<u>824,433</u>	<u>1,516,003</u>
OPERATING INCOME	<u>87,165</u>	<u>48,810</u>	<u>135,975</u>
NONOPERATING INCOME (EXPENSE):			
Interest revenue	103	30,831	30,934
Interest expense	<u>(121,002)</u>	<u>(152,571)</u>	<u>(273,573)</u>
TOTAL NONOPERATING INCOME (EXPENSE)	<u>(120,899)</u>	<u>(121,740)</u>	<u>(242,639)</u>
GAIN (LOSS) BEFORE TRANSFERS	<u>(33,734)</u>	<u>(72,930)</u>	<u>(106,664)</u>
TRANSFERS:			
Transfers in	-	-	-
Transfers out	<u>(92,470)</u>	<u>(95,826)</u>	<u>(188,296)</u>
CHANGE IN NET POSITION	<u>(126,204)</u>	<u>(168,756)</u>	<u>(294,960)</u>
NET POSITION, July 1	<u>724,228</u>	<u>8,057,400</u>	<u>8,781,628</u>
NET POSITION, June 30	<u>\$ 598,024</u>	<u>\$ 7,888,644</u>	<u>\$ 8,486,668</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Major Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 778,722	\$ 877,526	\$ 1,656,248
Cash paid to suppliers	(227,056)	(183,229)	(410,285)
Cash paid to employees and related benefits	(303,172)	(312,256)	(615,428)
Interfund borrowings	250,083	(257,368)	(7,285)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>498,577</u>	<u>124,673</u>	<u>623,250</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Interest paid	(121,002)	(152,571)	(273,573)
Payments on long-term debt	(58,339)	(62,839)	(121,178)
Purchase of capital assets	(49,658)	(7,000)	(56,658)
NET CASH USED BY CAPITAL FINANCING ACTIVITIES	(228,999)	(222,410)	(451,409)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	(92,470)	(95,826)	(188,296)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(92,470)	(95,826)	(188,296)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	103	19,992	20,095
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	177,211	(173,571)	3,640
Cash and cash equivalents, July 1	133,643	4,951,674	5,085,317
Cash and cash equivalents, June 30	<u>\$ 310,854</u>	<u>\$ 4,778,103</u>	<u>\$ 5,088,957</u>
SUMMARY OF CASH AND CASH EQUIVALENTS:			
Cash and cash equivalents, unrestricted	\$ 135,156	\$ 4,613,303	\$ 4,748,459
Cash and cash equivalents, restricted	175,698	164,800	340,498
	<u>\$ 310,854</u>	<u>\$ 4,778,103</u>	<u>\$ 5,088,957</u>
Reconciliation of operating income from operations to cash provided (used) by operating activities:			
Operating income	\$ 87,165	\$ 48,810	\$ 135,975
Adjustments to reconcile operating income to cash provided (used) by operating activities:			
Depreciation and amortization expense	175,931	325,343	501,274
(Increase) decrease in assets:			
Accounts receivable	(13)	4,283	4,270
Increase (decrease) in liabilities:			
Accounts payable	(16,076)	2,290	(13,786)
Accrued payroll liability	2,678	2,506	5,184
Compensated absences	(1,191)	(1,191)	(2,382)
Due to other funds	250,083	(257,368)	(7,285)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 498,577</u>	<u>\$ 124,673</u>	<u>\$ 623,250</u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUNDS AS OF JUNE 30, 2016

	<u>Agency</u>
ASSETS:	
Cash and cash equivalents	\$ 34,417
Due from developers	<u>2,444</u>
TOTAL ASSETS	<u><u>\$ 36,861</u></u>
LIABILITIES:	
Accounts payable	\$ 3,503
Accrued payroll liabilities	74
Due to other funds	<u>156,952</u>
TOTAL LIABILITIES	<u><u>\$ 160,529</u></u>
NET POSITION	<u><u>\$ (123,668)</u></u>

See accompanying notes to basic financial statements

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Wheatland ("the City") was incorporated in 1874, under the laws and regulations of the State of California. The City operates under the City Council – Manager form of government and provides or contracts for the following services: public safety (Police and Fire), highways and streets, water, sewer, culture-recreation, public improvements, planning and zoning, and general administration. Authority and responsibility for operations is given to the City Council by the voters of the City of Wheatland. The City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget which is adopted annually by the City Council. The City operates as a self-governing governmental unit within the State of California.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements. In addition, the City has elected not to apply to its proprietary activities Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued after November 30, 1989.

The City's main funding sources include property taxes, other inter-governmental revenue from state and federal sources, user fees, and federal and state financial assistance.

These financial statements are in compliance with GASB Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments. The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations. This is required supplementary information.
- Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting for all of the City's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements including these notes to the financial statements.

Reporting Entity

The reporting entity for the City of Wheatland includes all the funds and operations under the jurisdiction of the City Council. There are no component or blended component units that are part of the City's operations.

Basis of Accounting – Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City and the primary government as a whole. These statements distinguish between the governmental and business-type activities of the City. The City's police and fire protection, parks, culture and recreation, public works, and general administrative services are classified as governmental activities. The City's sewer and water services are classified as business-type activities.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting – Government-wide Financial Statements (Continued)

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Revenues that are not classified as program revenues are presented as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenue. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Fiduciary funds are not presented as part of the government-wide Statement of Net Position. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Accounting Policies

The City operates as a self-governing governmental unit within the State of California. The accounting policies of the City of Wheatland conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the Financial Accounting Standards Board.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Fund Financial Statements

The accounts of the City of Wheatland are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenue or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Funds

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds are used to account for revenues and expenditures restricted to the acquisition or construction of capital assets and are accounted for in a manner similar to the General Fund.

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following major enterprise funds:

- Sewer Fund is used to account for all activities associated with the acquisition or construction, operation and maintenance, and treatment of sanitary wastewater.
- Water Fund is used to account for all activities associated with the acquisition or construction, operation and maintenance, distribution and transmission of potable water to users.

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a purely custodial capacity.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measureable and available. "Available" means collectable within the current period or within 60 days after year end. Property taxes, franchise taxes, licenses, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the government. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. The City has made improvements to its water and sewer system through a federal grant. Acquisition, construction, and installation costs incurred have been charged to (or capitalized in) fixed assets.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (Continued)

Depreciation of capital assets is computed using the straight-line method. The estimated useful lives for these depreciable assets are as follows:

- | | |
|------------------------------------|---------------|
| • Water and sewer system | 39 years |
| • Improvements | 50 years |
| • Equipment and other improvements | 5 to 20 years |

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements.

Compensated Absences

Accumulated unpaid employee vacation benefits and sick leave are recognized as liabilities of the City. Unused vacation time accrued is payable at 100% of the accrual at termination of employment. At June 30, 2016, the unpaid vacation and sick leave liability of the City amounts to \$77,868.

Terminated employees are eligible to be compensated for 25% of their accumulated sick leave at their then current hourly rate.

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Deferred Revenues

Deferred revenue in governmental funds arise when a potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period. Deferred revenue also arise when resources are received by the City before it has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures).

Fund Balance

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Operating Revenues and Expenses in Proprietary Funds

The City's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the City's water and sewer funds consist of charges for services (including tap fees for the water fund and systems development charges for the sewer fund) and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The government-wide financial statements utilize a net position presentation. Net position are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the City not restricted for any project or other purpose.

In the government-wide financial statements, when both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Equity

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

- *Non-spendable* – includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the City Manager or Department Heads with City Council approval.
- *Unassigned* – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

The non-spendable fund balance is comprised of the long-term portion of loans receivable.

The City committed the following fund balance types by taking the following action:

<u>Fund Balance Type</u>	<u>Amount</u>	<u>Action</u>
Insurance reserve:		
Major funds:		
General fund	\$ 30,000	Council budget resolution

The City uses restricted or committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy.

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three components:

Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consist of net position that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. Restricted net position are as follows:

- Restricted development impact fees – resources restricted for the development impact fees collected by the water and sewer funds.
- Restricted for capital projects – resources restricted for future capital projects of the City.

Unrestricted – all other net position are reported in this category.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditure/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Property Tax

Secured property taxes attach as an enforceable lien on property as of July 1. Taxes are payable in two installments or November 1 and February 1. Yuba County bills and collects the taxes for the City. Tax revenue is recognized by the City when notification of collection is received.

Budgetary Policy and Data

The City Council annually adopts a city-wide budget resolution for the City. Department heads submit budget requests to the City Manager. City employees prepare estimates of revenue and recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution of the City Council on or before June 30. Budget appropriations lapse at the end of the year. The budget is prepared on a cash basis, which does not vary significantly from the basis of accounting used in the financial statements.

Allowance for Doubtful Accounts

An allowance for doubtful accounts has been provided for utilities receivable as follows:

	<u>Amount</u>
Water fund	\$ 1,275
Sewer fund	<u>3,443</u>
	<u>\$ 4,718</u>

Loans Receivable

As part of its participation in a Community Development Block Grant program, the City has loaned funds to qualifying property owners for the purpose of funding improvements to properties which have deteriorated significantly. In order to be eligible, property owners must meet certain income limitations. Loans bear not interest or nominal interest, and payment may be deferred for twenty to fifty years or until sale of the property.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 2 CASH AND CASH EQUIVALENTS

The City Treasurer is responsible for maintaining a cash and investment pool for all funds in accordance with the City investment policy that is updated as necessary. The City maintains two checking accounts and one savings account with a bank and invests cash in excess of immediate needs with the State of California Local Agency Investment Fund (LAIF). Funds invested with LAIF are treated as cash equivalents since they are immediately available. Total cash and investments are allocated to the City's individual funds based on their equity in the pooled amount.

Interest income is allocated to those funds that are required by law or administrative action to receive interest. Interest is allocated quarterly based on the aggregate cash balances in each fund receiving interest.

Deposits at June 30, 2016 are:

	<u>Statement Balance</u>	<u>Bank Balance</u>
Pooled deposits:		
Pooled cash and cash equivalents	\$ 346,904	\$ 479,574
Money market funds	3,377,371	3,377,371
Local agency investment fund (uncategorized)	2,610,378	2,610,378
Non-pooled cash and cash equivalents:		
Petty cash	<u>200</u>	<u>-</u>
TOTAL DEPOSITS	<u>\$ 6,334,853</u>	<u>\$ 6,467,323</u>

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

	<u>Government-wide Statement of Net Position</u>		<u>Fiduciary Fund Statement of Net Position</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Agency Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,211,479	\$ 4,748,459	\$ 34,417	\$ 5,994,355
Restricted assets:				
Cash and cash equivalents	<u>-</u>	<u>340,498</u>	<u>-</u>	<u>340,498</u>
TOTAL	<u>\$ 1,211,479</u>	<u>\$ 5,088,957</u>	<u>\$ 34,417</u>	<u>\$ 6,334,853</u>

The restricted cash and cash equivalents are set aside as per the USDA loan requirements for the Water and Sewer Enterprise Funds.

Investment policy

Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The investment types that are authorized by the City's council resolution no. 09-09 adopted on July 16, 2009 include United States treasury notes, bonds, bills; securities of the U.S. government; local agency investment funds; certificates of deposit; passbook savings and money market accounts.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 2 CASH AND CASH EQUIVALENTS (Continued)

Custodial credit risk

The California Government Code requires California banks and savings and loan associations to collateralize a City's deposits by pledging government securities. The market value of pledged securities must equal at least 110 percent of a City's deposits. California law also allows financial institutions to collateralize City deposits by pledging first trust deed mortgage notes having a value of 150 percent of a City's total deposits. The City may waive collateral requirements for deposits which are fully insured up to \$250,000 by Federal Deposit insurance.

At year end, the carrying amount of the City's cash was \$3,724,275 and the bank balance was \$3,856,945. Differences between the bank balance and the carrying amount represents outstanding checks and deposits in transit. The bank balances are insured/collateralized as noted above.

Investment in Local Agency Investment Fund (LAIF)

LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. At year end the carrying amount of the City's cash invested in LAIF was \$2,610,378.

The City's investment in LAIF and the money market fund are unrated.

Note 3 CAPITAL ASSETS AND DEPRECIATION

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Capital assets activity for the year ended June 30, 2016 was as follows:

GOVERNMENTAL ACTIVITIES:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, not being depreciated:				
Construction in progress	\$ 269,543	\$ 122,750	\$ -	\$ 392,293
Land	<u>86,063</u>	<u>-</u>	<u>-</u>	<u>86,063</u>
Total capital assets, not being depreciated	<u>355,606</u>	<u>122,750</u>	<u>-</u>	<u>478,356</u>
Depreciable capital assets:				
Buildings and improvements	3,836,494	18,892	-	3,855,386
Infrastructure	2,938,200	47,499	-	2,985,699
Vehicles	724,938	81,349	-	806,287
Machinery and equipment	<u>589,014</u>	<u>18,678</u>	<u>-</u>	<u>607,692</u>
Total capital assets, being depreciated	<u>8,088,646</u>	<u>166,418</u>	<u>-</u>	<u>8,255,064</u>

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 3 CAPITAL ASSETS AND DEPRECIATION (Continued)

GOVERNMENTAL ACTIVITIES (Continued):

Less: accumulated depreciation				
Buildings and improvements	(1,841,567)	(81,887)	-	(1,923,454)
Infrastructure	(1,070,369)	(146,897)	-	(1,217,266)
Vehicles	(550,917)	(51,550)	-	(602,467)
Machinery and equipment	<u>(508,189)</u>	<u>(12,147)</u>	<u>-</u>	<u>(520,336)</u>
Total accumulated depreciation	<u>(3,971,042)</u>	<u>(292,481)</u>	<u>-</u>	<u>(4,263,523)</u>
Net capital assets, being depreciated	<u>4,117,604</u>	<u>(126,063)</u>	<u>-</u>	<u>3,991,541</u>

GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET

\$ 4,473,210 \$ (3,313) \$ - \$ 4,469,897

The depreciation and amortization expense has been charged to the following functions in the statement of activities:

Governmental Activities:	
General government	\$ 122,084
Safety	65,220
Public works	<u>105,177</u>
TOTAL	<u>\$ 292,481</u>

BUSINESS-TYPE ACTIVITIES:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
WATER FUND:				
Capital assets, not being depreciated:				
Land	\$ 16,969	\$ -	\$ -	\$ 16,969
Total capital assets, not being depreciated	<u>16,969</u>	<u>-</u>	<u>-</u>	<u>16,969</u>
Capital assets, being depreciated:				
Water system improvements	4,290,021	-		4,290,021
Well rehab projects	667,767	42,658		710,425
Buildings and improvements	106,045	7,000		113,045
Vehicles	76,891	-	-	76,891
Machinery and equipment	<u>404,137</u>	<u>-</u>	<u>-</u>	<u>404,137</u>
Total capital assets, being depreciated	<u>5,544,861</u>	<u>49,658</u>	<u>-</u>	<u>5,594,519</u>
Less: accumulated depreciation				
Water system improvements	(1,473,593)	(111,551)	-	(1,585,144)
Well rehab projects	(340,073)	(31,065)	-	(371,138)
Buildings and improvements	(33,298)	(5,773)	-	(39,071)
Vehicles	(66,991)	(2,200)	-	(69,191)
Machinery and equipment	<u>(219,457)</u>	<u>(25,342)</u>	<u>-</u>	<u>(244,799)</u>
Total accumulated depreciation	<u>(2,133,412)</u>	<u>(175,931)</u>	<u>-</u>	<u>(2,309,343)</u>
Net capital assets, being depreciated	<u>3,411,449</u>	<u>(126,273)</u>	<u>-</u>	<u>3,285,176</u>
TOTAL WATER FUND, NET	<u>\$ 3,428,418</u>	<u>\$ (126,273)</u>	<u>\$ -</u>	<u>\$ 3,302,145</u>

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 3 CAPITAL ASSETS AND DEPRECIATION (Continued)

BUSINESS-TYPE ACTIVITIES (Continued):

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>
SEWER FUND:				
Capital assets, not being depreciated:				
Construction in progress	\$ 899,328	\$ -	\$ -	\$ 899,328
Land	<u>16,969</u>	<u>-</u>	<u>-</u>	<u>16,969</u>
Total capital assets, not being depreciated	<u>916,296</u>	<u>-</u>	<u>-</u>	<u>916,296</u>
Capital assets, being depreciated:				
Sewer system improvements	5,548,168	-	-	5,548,168
Well rehab projects	211,530	-	-	211,530
Buildings and improvements	106,045	7,000	-	113,045
Vehicles	13,065	-	-	13,065
Machinery and equipment	<u>191,261</u>	<u>-</u>	<u>-</u>	<u>191,261</u>
Total capital assets, being depreciated	<u>6,070,069</u>	<u>7,000</u>	<u>-</u>	<u>6,077,069</u>
Less: accumulated depreciation				
Water system improvements	(2,103,212)	(277,408)	-	(2,380,620)
Well rehab projects	(106,856)	(8,444)	-	(115,300)
Buildings and improvements	(33,299)	(5,773)	-	(39,072)
Vehicles	(3,166)	(2,200)	-	(5,366)
Machinery and equipment	<u>(119,780)</u>	<u>(31,518)</u>	<u>-</u>	<u>(151,298)</u>
Total accumulated depreciation	<u>(2,366,313)</u>	<u>(325,343)</u>	<u>-</u>	<u>(2,691,656)</u>
Net capital assets, being depreciated	<u>3,703,756</u>	<u>(318,343)</u>	<u>-</u>	<u>3,385,413</u>
TOTAL SEWER FUND, NET	<u>\$ 4,620,053</u>	<u>\$ (318,343)</u>	<u>\$ -</u>	<u>\$ 4,301,710</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 8,048,471</u>	<u>\$ (444,616)</u>	<u>\$ -</u>	<u>\$ 7,603,855</u>

The depreciation and amortization expense has been charged to the following functions in the statement of activities:

Water Enterprise Fund	\$ 175,931
Sewer Enterprise Fund	<u>325,343</u>
TOTAL	<u>\$ 501,274</u>

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 4 LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2016:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>	Due in <u>One Year</u>
GOVERNMENTAL ACTIVITIES:					
Compensated absences	\$ 46,063	\$ -	\$ (7,527)	\$ 38,536	\$ 38,536
Payable to developer	128,338	-	-	128,338	-
Obligations under capital lease	<u>81,692</u>	<u>-</u>	<u>(8,452)</u>	<u>73,240</u>	<u>8,903</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 256,093</u>	<u>\$ -</u>	<u>\$ (15,979)</u>	<u>\$ 240,114</u>	<u>\$ 47,439</u>
BUSINESS-TYPE ACTIVITIES:					
Water Enterprise Fund:					
Compensated absences	\$ 20,857	\$ -	\$ (1,191)	\$ 19,666	\$ 19,666
United States department of Agriculture (USDA) Loans:					
Water loan #1 (dated May 8, 2000)	1,679,000	-	(33,000)	1,646,000	35,000
Water loan #3 (dated October 31, 2002)	966,000	-	(19,000)	947,000	20,000
Wheatland Westside Infra- structure Funding Agreement	87,769	-	-	87,769	-
Obligations under capital lease	<u>61,270</u>	<u>-</u>	<u>(6,339)</u>	<u>54,931</u>	<u>6,677</u>
TOTAL WATER ENTERPRISE FUND	<u>2,814,896</u>	<u>-</u>	<u>(59,530)</u>	<u>2,755,366</u>	<u>81,343</u>
Sewer Enterprise Fund:					
Compensated absences	20,857	-	(1,191)	19,666	19,666
United States department of Agriculture (USDA) Loans:					
Sewer loan (dated May 8, 2007)	3,622,400	-	(56,500)	3,565,900	58,800
Wheatland Westside Infra- structure Funding Agreement	491,822	-	-	491,822	-
Obligations under capital lease	<u>61,270</u>	<u>-</u>	<u>(6,339)</u>	<u>54,931</u>	<u>6,677</u>
TOTAL SEWER ENTERPRISE FUND	<u>4,196,349</u>	<u>-</u>	<u>(64,030)</u>	<u>4,132,319</u>	<u>85,143</u>
TOTAL BUSINESS- TYPE ACTIVITIES	<u>\$ 7,011,245</u>	<u>\$ -</u>	<u>\$ (123,560)</u>	<u>\$ 6,887,685</u>	<u>\$ 166,486</u>

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 4 LONG-TERM DEBT (Continued)

Long-term debt as of June 30, 2016 is comprised of the following individual obligations:

GOVERNMENTAL ACTIVITIES:

Due to developer pursuant to a reimbursement agreement dated May 20, 1992. Payments are made periodically from storm drainage impact fees collected and does not include interest. \$ 128,338

On April 21, 2008, the City entered into a lease agreement for the purchase and installation of the City Hall. The lease is due in semi-annual installments including interest at 5.27%, through April 2023. The lease has been allocated as follows: general government, 40%; water operation, 30%; sewer operation 30%. \$ 73,240

BUSINESS-TYPE ACTIVITIES:

Water Enterprise Fund:

On May 8, 2000, the City obtained a Rural Utilities Service loan from the United States Department of Agriculture – Rural Development. The loan is to be repaid through Certificates of Participation issued December 18, 2001 with semi-annual payments due including interest at 4.5% through December 2041. \$ 1,646,000

On October 31, 2002, the City obtained a Rural Utilities Service loan from the United States Department of Agriculture – Rural Development. The loan is to be repaid through Certificates of Participation with semi-annual payments due with interest at 4.5% through December 2041. \$ 947,000

The City, the School District, and Forecast Homes entered into the Wheatland Westside Infrastructure Funding Agreement (WWIFA). The agreement requires the City to make payments to the School District and Forecast Homes as development impact fees are collected. \$ 87,769

This amount represents the allocated 30% share of the lease agreement dated April 21, 2008 for the purchase and installation of the City Hall. The lease is due in semi-annual installments including interest at 5.27% through April 2023. \$ 54,931

Sewer Enterprise Fund:

On October 31, 2002, the City obtained a Rural Utilities Service loan from the United States Department of Agriculture – Rural Development. The loan is to be repaid through Certificates of Participation with semi-annual payments due with interest at 4.5% through December 2041. \$ 3,565,900

The City, the School District, and Forecast Homes entered into the Wheatland Westside Infrastructure Funding Agreement (WWIFA). The agreement requires the City to make payments to the School District and Forecast Homes as development impact fees are collected. \$ 491,822

This amount represents the allocated 30% share of the lease agreement dated April 21, 2008 for the purchase and installation of the City Hall. The lease is due in semi-annual installments including interest at 5.27% through April 2023. \$ 54,931

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 4 LONG-TERM DEBT (Continued)

Debt service requirements for the long-term debt are due as follows:

GOVERNMENTAL ACTIVITIES:

Obligations under capital lease:

Fiscal year Ended June 30,	City Hall Lease	
	Principal	Interest
2017	\$ 8,903	\$ 3,744
2018	9,378	3,269
2019	9,879	2,768
2020	10,406	2,240
2021	10,962	1,685
2022 – 23	<u>23,711</u>	<u>1,582</u>
	<u>\$ 73,240</u>	<u>\$ 15,288</u>

Fiscal year ended June 30,	United States Department of Agriculture						Total	
	Water Loan 1		Water Loan 3		Sewer Loan			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 35,000	\$ 73,282	\$ 20,000	\$ 42,165	\$ 58,800	\$ 147,093	\$ 113,800	\$ 262,541
2018	36,000	71,685	21,000	41,243	61,200	144,668	118,200	257,595
2019	38,000	70,020	22,000	40,275	63,800	142,143	123,800	252,438
2020	40,000	68,265	23,000	39,263	66,400	139,512	129,400	247,039
2021	41,000	66,443	24,000	38,205	69,100	136,773	134,100	241,420
2022 – 26	236,000	302,040	136,000	173,565	390,900	638,661	762,900	1,114,266
2027 – 31	294,000	242,550	169,000	139,387	478,400	551,121	941,400	933,058
2032 – 36	366,000	168,615	210,000	96,975	585,500	443,970	1,161,500	709,560
2037 – 41	456,000	76,590	262,000	44,010	716,700	312,823	1,434,700	433,423
2042 – 46	104,000	2,340	60,000	1,350	877,300	152,283	1,041,300	155,973
2047	-	-	-	-	197,800	8,159	197,800	8,159
	<u>\$1,646,000</u>	<u>\$1,141,830</u>	<u>\$ 947,000</u>	<u>\$656,437</u>	<u>\$3,565,900</u>	<u>\$2,817,206</u>	<u>\$6,158,900</u>	<u>\$4,615,473</u>

Obligations under capital lease:

Fiscal year ended June 30,	City Hall Lease				Total	
	Water Fund		Sewer Fund			
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 6,677	\$ 2,808	\$ 6,677	\$ 2,808	\$ 13,354	\$ 5,616
2018	7,034	2,451	7,034	2,451	14,067	4,903
2019	7,409	2,076	7,409	2,076	14,818	4,152
2020	7,805	1,680	7,805	1,680	15,610	3,361
2021	8,222	1,264	8,222	1,264	16,443	2,527
2022 – 23	<u>17,883</u>	<u>1,187</u>	<u>17,883</u>	<u>1,187</u>	<u>35,567</u>	<u>2,373</u>
	<u>\$ 54,930</u>	<u>\$ 11,466</u>	<u>\$ 54,930</u>	<u>\$ 11,466</u>	<u>\$ 109,860</u>	<u>\$ 22,932</u>

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 4 LONG-TERM DEBT (Continued)

ASSETS ACQUIRED UNDER CAPITAL LEASE:

The assets acquired under capital lease are as follows for the fiscal year ended June 30, 2016:

	Governmental Activities	Business-type activities Water Fund	Sewer Fund	TOTAL
City hall building	\$ 130,000	\$ 97,500	\$ 97,500	\$ 325,000
Less: accumulated depreciation	<u>(18,200)</u>	<u>(36,562)</u>	<u>(36,562)</u>	<u>(91,324)</u>
 CAPITAL ASSET UNDER CAPITAL LEASE, NET	 <u>\$ 111,800</u>	 <u>\$ 60,938</u>	 <u>\$ 60,938</u>	 <u>\$ 233,676</u>

Note 5 OPERATING LEASES

The City entered into lease arrangements with five cellular telephone companies. The City rents space on towers so that the lessees may affix antennas and transmitters. The arrangements provide for monthly rent payments with renewals every five years. The current terms expire from July 2016 to May 2017. The agreements terminate from July 2016 to May 2017. Future rents to be received on the leases under the current lease term periods are as follows:

Fiscal year Ended June 30	T-Mobile	Sprint/ Nextel	AT&T	Total
2017	\$ 6,756	\$ 10,804	\$ 19,618	\$ 37,178
	<u>\$ 6,756</u>	<u>\$ 10,804</u>	<u>\$ 19,618</u>	<u>\$ 37,178</u>
Last re- newal date	July 2, 2015	February 1, 2010	November 14, 2015	

Note 6 FUND BALANCE

The following funds had deficit fund balances as of June 30, 2016:

Fund	Deficit
Special Revenue Funds (Non-major):	
Supplemental Law Enforcement	\$ (17,644)
Gas Tax	(83)
Bear River Levee	(45,060)
Wheatland Ryantown Landscaping District	(11,173)
Capital Projects Funds (Non-major):	
Construction	(129,123)
Infrastructure Committee	(298)
Public Meeting Facilities	(195,252)
Fire Department Facilities	(37,420)
Heritage Oaks East Community Facilities District	(31,416)

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 7 EXPENDITURES IN EXCESS OF APPROPRIATIONS

Not all of the City's funds have a budget. Of the funds that have a budget, the following had expenditures in excess of the appropriations at June 30, 2016:

	<u>Expenditures and transfers</u>	<u>Appropriations</u>	<u>Deficit</u>
General Fund	\$ 2,084,665	\$ 1,913,300	\$ (171,365)
Non-major special revenue funds:			
Supplemental Law Enforcement	120,000	100,000	(20,000)
Gas Tax	226,536	222,200	(4,336)
Facilities – Fire Department	37,770	1,890	(35,880)
Lighting and Landscaping Districts:			
Wheatland Ryantown	57,620	50,200	(7,420)

Note 8 INTERFUND BLANCES AND TRANSFERS

Summaries of the interfund receivables and payables for the fiscal year ended June 30, 2016 are as follows:

Interfund balances as of June 30, 2016 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 410,236	\$ -
Water Fund	-	250,083
Sewer Fund	403,341	-
Non-major funds:		
Special Revenue Funds	-	106,200
Capital Projects Funds	237,350	537,692
Agency Funds	-	156,952
	<u>\$ 1,050,927</u>	<u>\$ 1,050,927</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2016 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 351,491	\$ 201,076
Water Fund	-	92,470
Sewer Fund	-	95,826
Non-major funds:		
Special Revenue Funds	167,000	131,748
Capital Projects Funds	56,900	45,020
Agency Funds	-	9,251
	<u>\$ 575,391</u>	<u>\$ 575,391</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) subsidize operating losses.

CITY OF WHEATLAND, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 9 JOINT VENTURE

The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC), a joint powers authority, for workers' compensation and liability insurance purposes. PARSAC is organized under a joint powers agreement pursuant to the California Government Code. The purpose of PARSAC is to arrange and administer programs of insurance of risk pooling of self-insured losses and to purchase excess liability coverage. An annual audit of PARSAC is available at the Authority's offices at 1525 Response Road, Suite One, Sacramento, California 95815 or at its website at www.parsac.org. There have been no significant reductions in insurance coverage in the prior year; and, settlements have not exceeded the insurance coverage for each of the past three fiscal years.

The City of Wheatland and the Plumas Brophy Fire District create a joint powers authority called the Wheatland Fire Authority. Its purpose is to serve the City of Wheatland, whether developed or undeveloped and surrounding unincorporated area as a joined fire fighting organization.

Note 10 PRIOR PERIOD ADJUSTMENT

In the prior year the Community Development Block Grant loans receivable were reported in the General Fund, in the current year the receivables are reported in two special revenue funds.

Note 11 SUBSEQUENT EVENT

STATE OF CALIFORNIA

The state-wide economic slowdown has resulted in the State of California looking to municipalities as a mechanism for balancing its budget. As a result, certain revenue sources may be suspended or delayed. It is not determinable at this time the effects, if any, for such suspension or delay on the operations of the City. Other than this, management of the City has evaluated the events subsequent to June 30, 2016 for disclosure and has determined that as of December 21, 2016 there are no material subsequent events that should be disclosed. If events requiring disclosure have occurred between the balance sheet date and the date the financial statements were available to be issued they would be disclosed here.

**CITY OF WHEATLAND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

CITY OF WHEATLAND
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
GENERAL FUND
JUNE 30, 2016

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Tax revenues	\$ 1,211,500	\$ 1,211,500	\$ 1,408,312	\$ 196,812
Intergovernmental revenues	7,000	7,000	41,949	34,949
Licenses, fees and permits	70,000	70,000	150,236	80,236
Charges for services	1,300	1,300	1,535	235
Fines, forfeitures and penalties	13,000	13,000	10,331	(2,669)
Reimbursements and refunds	1,000	1,000	54,915	53,915
Use of money and property	58,000	58,000	47,600	(10,400)
Grant revenue	55,000	55,000	138,612	83,612
Other revenue	<u>4,000</u>	<u>4,000</u>	<u>29,490</u>	<u>25,490</u>
TOTAL REVENUES	<u>1,420,800</u>	<u>1,420,800</u>	<u>1,882,980</u>	<u>462,180</u>
EXPENDITURES:				
Current:				
General government	314,100	314,100	390,899	(76,799)
Public safety	961,600	961,600	914,077	47,523
Community development	241,000	241,000	395,428	(154,428)
Public works	-	-	-	-
Parks & recreation	51,600	51,600	56,619	(5,019)
Debt service:				
Principal	7,600	7,600	8,452	(852)
Interest	5,100	5,100	4,195	905
Capital outlay	<u>73,000</u>	<u>73,000</u>	<u>113,919</u>	<u>(40,919)</u>
TOTAL EXPENDITURES	<u>1,654,000</u>	<u>1,654,000</u>	<u>1,883,589</u>	<u>(229,589)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(233,200)</u>	<u>(233,200)</u>	<u>(609)</u>	<u>232,591</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	480,900	480,900	351,491	(129,409)
Transfers out	<u>(259,300)</u>	<u>(259,300)</u>	<u>(201,076)</u>	<u>58,224</u>
TOTAL OTHER FINANCING	<u>221,600</u>	<u>221,600</u>	<u>150,415</u>	<u>(71,185)</u>
NET CHANGE IN FUND BALANCES	(11,600)	(11,600)	149,415	<u>\$ 161,406</u>
FUND BALANCE, July 1:	<u>1,320,188</u>	<u>1,320,188</u>	<u>1,320,188</u>	
FUND BALANCE, June 30	<u>\$ 1,308,588</u>	<u>\$ 1,308,588</u>	<u>\$ 1,469,994</u>	

**CITY OF WHEATLAND
SUPPLEMENTARY INFORMATION SECTION
JUNE 30, 2016**

**CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds	Capital Project Funds	Total
ASSETS:			
Cash and cash equivalents	\$ 78,947	\$ 185,444	\$ 264,391
Receivables:			
Accounts receivable	40,648	153,423	194,071
Loans receivable	202,981	-	202,981
Due from other governments	11,006	-	11,006
Due from other funds	<u>-</u>	<u>237,770</u>	<u>237,770</u>
TOTAL ASSETS	<u>\$ 333,582</u>	<u>\$ 576,637</u>	<u>\$ 910,219</u>
LIABILITIES:			
Accounts payable	\$ 9,578	\$ 14,338	\$ 23,916
Accrued payroll liabilities	3,806	-	3,806
Deferred revenue	1,229	-	1,229
Due to other funds	<u>106,200</u>	<u>538,112</u>	<u>644,312</u>
TOTAL LIABILITIES	<u>120,813</u>	<u>552,450</u>	<u>673,263</u>
FUND BALANCES:			
Non-spendable for long-term receivables:			
Special revenue funds	202,981	-	202,981
Restricted for capital projects:			
Capital projects funds	-	24,187	24,187
Committed:			
Subsequent year's expenditures:			
Special revenue funds	-	-	-
Unassigned:			
Special revenue funds	<u>9,788</u>	<u>-</u>	<u>9,788</u>
TOTAL FUND BALANCES	<u>212,7689</u>	<u>24,187</u>	<u>236,956</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 333,582</u>	<u>\$ 576,637</u>	<u>\$ 910,219</u>

**CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds	Capital Project Funds	Total
REVENUES:			
Tax revenues	\$ 174,447	\$ -	\$ 174,447
Intergovernmental revenues	78,707	-	78,707
Licenses, fees and permits	-	-	-
Reimbursements and refunds	-	-	-
Use of money and property	(252)	721	469
Grant revenue	116,596	7,525	124,121
Other revenue	<u>8,015</u>	<u>60</u>	<u>8,075</u>
TOTAL REVENUES	<u>377,513</u>	<u>8,306</u>	<u>385,819</u>
EXPENDITURES:			
Current:			
General government	23,859	1,264	25,123
Public safety	120,000	-	120,000
Public works	234,018	853	234,871
Capital outlay	<u>38,099</u>	<u>137,150</u>	<u>175,249</u>
TOTAL EXPENDITURES	<u>415,976</u>	<u>139,267</u>	<u>555,243</u>
DEFICIT OF REVENUES OVER EXPENDITURES	<u>(38,463)</u>	<u>(130,961)</u>	<u>(169,424)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	167,000	56,900	223,900
Transfers out	<u>(112,848)</u>	<u>(63,920)</u>	<u>(176,768)</u>
TOTAL OTHER FINANCING	<u>54,152</u>	<u>(7,020)</u>	<u>47,132</u>
NET CHANGE IN FUND BALANCES	<u>15,689</u>	<u>(137,981)</u>	<u>(122,292)</u>
FUND BALANCE, July 1	(5,901)	162,168	156,267
Prior period adjustment	<u>202,981</u>	<u>-</u>	<u>202,981</u>
FUND BALANCE, July 1 restated	<u>197,080</u>	<u>162,168</u>	<u>359,248</u>
FUND BALANCE, June 30	<u>\$ 212,769</u>	<u>\$ 24,187</u>	<u>\$ 236,956</u>

**CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016**

	<u>CDBG Grant 1989 Fund</u>	<u>Supplement Law Enforcement</u>	<u>Vehicle Abatement</u>	<u>General Plan Update</u>
ASSETS:				
Cash and cash equivalents	\$ 2	\$ -	\$ 29,894	\$ 21,631
Receivables:				
Accounts receivable	4	11,253	705	-
Loans receivable	78,826	-	-	-
Due from other governments	-	-	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 78,832</u>	<u>\$ 11,253</u>	<u>\$ 30,599</u>	<u>\$ 21,631</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	<u>-</u>	<u>28,897</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>28,897</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Non-spendable for long-term receivables	78,826	-	-	-
Committed:				
Subsequent year's expenditures	-	-	-	-
Unassigned	<u>6</u>	<u>(17,644)</u>	<u>30,599</u>	<u>21,631</u>
TOTAL FUND BALANCES	<u>78,832</u>	<u>(17,644)</u>	<u>30,599</u>	<u>21,631</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 78,832</u>	<u>\$ 11,253</u>	<u>\$ 30,599</u>	<u>\$ 21,631</u>

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2016

	<u>Gas Taxes</u>	<u>Transportation Development Act Fund</u>	<u>Bear River Levee</u>	<u>Wheatland Community Gardens</u>
ASSETS:				
Cash and cash equivalents	\$ 153	\$ 84	\$ -	\$ 11,762
Receivables:				
Accounts receivable	5,518	22,240	-	-
Loans receivable	-	-	-	-
Due from other governments	-	11,006	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,671</u>	<u>\$ 33,330</u>	<u>\$ -</u>	<u>\$ 11,762</u>
LIABILITIES:				
Accounts payable	\$ 3,940	\$ 4,319	\$ -	\$ 50
Accrued payroll liabilities	1,814	-	-	-
Deferred revenue	-	1,229	-	-
Due to other funds	<u>-</u>	<u>22,631</u>	<u>45,060</u>	<u>-</u>
TOTAL LIABILITIES	<u>5,754</u>	<u>28,179</u>	<u>45,060</u>	<u>50</u>
FUND BALANCES:				
Non-spendable for				
long-term receivables	-	-	-	-
Committed:				
Subsequent year's expenditures	-	-	-	-
Unassigned	<u>(83)</u>	<u>5,151</u>	<u>(45,060)</u>	<u>11,712</u>
TOTAL FUND BALANCES	<u>(83)</u>	<u>5,151</u>	<u>(45,060)</u>	<u>11,712</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,671</u>	<u>\$ 33,330</u>	<u>\$ -</u>	<u>\$ 11,762</u>

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2016

		Lighting and Landscaping Districts		
	CDBG Loan Fund 90	Wheatland Ryantown	Park Place	Totals
ASSETS:				
Cash and cash equivalents	\$ 7,715	\$ -	\$ 7,706	\$ 78,947
Receivables:				
Accounts receivable	-	464	464	40,648
Loans receivable	124,155	-	-	202,981
Due from other governments	-	-	-	11,006
Due from other funds	-	-	-	-
TOTAL ASSETS	<u>\$ 131,870</u>	<u>\$ 464</u>	<u>\$ 8,170</u>	<u>\$ 333,582</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 973	\$ 296	\$ 9,578
Accrued payroll liabilities	-	1,052	940	3,806
Deferred revenue	-	-	-	1,229
Due to other funds	-	9,612	-	106,200
TOTAL LIABILITIES	<u>-</u>	<u>11,637</u>	<u>1,236</u>	<u>120,813</u>
FUND BALANCES:				
Non-spendable for long-term receivables	124,155	-	-	202,981
Committed:				
Subsequent year's expenditures	-	-	-	-
Unassigned	<u>7,715</u>	<u>(11,173)</u>	<u>6,934</u>	<u>9,788</u>
TOTAL FUND BALANCES	<u>131,870</u>	<u>(11,173)</u>	<u>6,934</u>	<u>212,769</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 131,870</u>	<u>\$ 464</u>	<u>\$ 8,170</u>	<u>\$ 333,582</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2016

	<u>CDBG Grant 1989 Fund</u>	<u>Supplement Law Enforcement</u>	<u>Vehicle Abatement</u>	<u>General Plan Update</u>
REVENUES:				
Tax revenues	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	7,328	-
Licenses, fees and permits	-	-	-	-
Reimbursements and refunds	-	-	-	-
Use of money and property	-	103	105	87
Grant revenue	-	116,596	-	-
Other revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>116,699</u>	<u>7,433</u>	<u>87</u>
EXPENDITURES:				
Current:				
General government	-	-	-	68
Public safety	-	120,000	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>68</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(3,301)</u>	<u>7,433</u>	<u>19</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>(3,301)</u>	<u>7,433</u>	<u>19</u>
FUND BALANCE, July 1	6	(14,343)	23,166	21,612
Prior period adjustment	78,826	-	-	-
FUND BALANCE, July 1 restated	<u>78,832</u>	<u>(14,343)</u>	<u>23,166</u>	<u>21,612</u>
FUND BALANCE, June 30	<u>\$ 78,832</u>	<u>\$ (17,644)</u>	<u>\$ 30,599</u>	<u>\$ 21,631</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2016

	<u>Gas Taxes</u>	<u>Transportation Development Act Fund</u>	<u>Bear River Levee</u>	<u>Wheatland Community Gardens</u>
REVENUES:				
Tax revenues	\$ 84,459	\$ -	\$ -	\$ -
Intergovernmental revenues	-	71,379	-	-
Licenses, fees and permits	-	-	-	-
Reimbursements and refunds	-	-	-	-
Use of money and property	(302)	(58)	(146)	47
Grant revenue	-	-	-	-
Other revenue	-	-	-	300
TOTAL REVENUES	<u>84,157</u>	<u>71,321</u>	<u>(146)</u>	<u>347</u>
EXPENDITURES:				
Current:				
General government	18,783	-	-	218
Public safety	-	-	-	-
Public works	153,468	-	-	-
Capital outlay	<u>31,049</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>203,300</u>	<u>-</u>	<u>-</u>	<u>218</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(119,143)</u>	<u>66,014</u>	<u>94</u>	<u>172</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	146,800	-	-	-
Transfers out	<u>(23,236)</u>	<u>(71,400)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING	<u>123,564</u>	<u>(71,400)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>4,421</u>	<u>(79)</u>	<u>(146)</u>	<u>129</u>
FUND BALANCE, July 1	(4,504)	5,230	(44,914)	11,583
Prior period adjustment	-	-	-	-
FUND BALANCE, July 1 restated	<u>(4,504)</u>	<u>5,230</u>	<u>(44,914)</u>	<u>11,583</u>
FUND BALANCE, June 30	<u>\$ (83)</u>	<u>\$ 5,151</u>	<u>\$ (45,060)</u>	<u>\$ 11,712</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2016

		Lighting and Landscaping Districts		
	CDBG Loan Fund 90	Wheatland Ryantown	Park Place	Totals
REVENUES:				
Tax revenues	\$ -	\$ 48,920	\$ 41,068	\$ 174,447
Intergovernmental revenues	-	-	-	78,707
Licenses, fees and permits	-	-	-	-
Reimbursements and refunds	-	-	-	-
Use of money and property	-	(45)	(43)	(252)
Grant revenue	-	-	-	116,596
Other revenue	<u>7,715</u>	<u>-</u>	<u>-</u>	<u>8,015</u>
TOTAL REVENUES	<u>7,715</u>	<u>48,875</u>	<u>41,025</u>	<u>377,513</u>
EXPENDITURES:				
Current:				
General government	-	2,404	2,386	23,859
Public safety	-	-	-	120,000
Public works	-	40,302	40,248	234,018
Capital outlay	<u>-</u>	<u>5,550</u>	<u>1,500</u>	<u>38,099</u>
TOTAL EXPENDITURES	<u>-</u>	<u>48,256</u>	<u>44,134</u>	<u>415,976</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,715</u>	<u>619</u>	<u>(3,109)</u>	<u>38,463</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	20,200	167,000
Transfers out	<u>-</u>	<u>(9,364)</u>	<u>(8,848)</u>	<u>(112,848)</u>
TOTAL OTHER FINANCING	<u>-</u>	<u>(9,364)</u>	<u>11,352</u>	<u>54,152</u>
NET CHANGE IN FUND BALANCES	<u>7,715</u>	<u>(8,745)</u>	<u>8,243</u>	<u>15,689</u>
FUND BALANCE, July 1	-	(2,428)	(1,309)	(5,901)
Prior period adjustment	<u>124,155</u>	<u>-</u>	<u>-</u>	<u>202,981</u>
FUND BALANCE, July 1 restated	<u>124,155</u>	<u>(2,428)</u>	<u>(1,309)</u>	<u>197,080</u>
FUND BALANCE, June 30	<u>\$ 131,870</u>	<u>\$ (11,173)</u>	<u>\$ 6,934</u>	<u>\$ 212,769</u>

**CITY OF WHEATLAND
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2016**

	<u>Emergency Fire</u>	<u>Storm Drainage</u>	<u>Road Circulation</u>	<u>Community Center</u>	<u>City Hall</u>
ASSETS:					
Cash and cash equivalents	\$ 7,105	\$ 37,603	\$ 108,841	\$ 3,403	\$ -
Receivables:					
Accounts receivable	-	-	-	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>87,770</u>	<u>-</u>	<u>150,000</u>
TOTAL ASSETS	<u>\$ 7,105</u>	<u>\$ 37,603</u>	<u>\$ 196,611</u>	<u>\$ 3,403</u>	<u>\$ 150,000</u>
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 420
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420</u>
FUND BALANCES:					
Restricted for capital projects	<u>7,105</u>	<u>37,603</u>	<u>196,611</u>	<u>3,403</u>	<u>149,580</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,105</u>	<u>\$ 37,603</u>	<u>\$ 196,611</u>	<u>\$ 3,403</u>	<u>\$ 150,000</u>

**CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
JUNE 30, 2016**

	<u>Regional Bypass</u>	<u>Constr- uction</u>	<u>Parks Fund</u>	<u>Traffic Safety</u>	<u>Equipment</u>
ASSETS:					
Cash and cash equivalents	\$ 4,190	\$ -	\$ 12,687	\$ 1,059	\$ 3
Receivables:					
Accounts receivable	-	153,423	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 4,190</u>	<u>\$ 153,423</u>	<u>\$ 12,687</u>	<u>\$ 1,059</u>	<u>\$ 3</u>
LIABILITIES:					
Accounts payable	\$ -	\$ 14,338	\$ -	\$ -	\$ -
Due to other funds	-	268,208	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>282,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Restricted for capital projects	<u>4,190</u>	<u>(129,123)</u>	<u>12,687</u>	<u>1,059</u>	<u>3</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,190</u>	<u>\$ 153,423</u>	<u>\$ 12,687</u>	<u>\$ 1,059</u>	<u>\$ 3</u>

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
JUNE 30, 2016

	Infrastructure Committee	Police	Facilities Public Works	Public Meeting
ASSETS:				
Cash and cash equivalents	\$ -	\$ 342	\$ 3,430	\$ 4,748
Receivables:				
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 3,430</u>	<u>\$ 4,748</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>298</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
TOTAL LIABILITIES	<u>298</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
FUND BALANCES:				
Restricted for capital projects	<u>(298)</u>	<u>342</u>	<u>3,430</u>	<u>(195,252)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 3,430</u>	<u>\$ 4,748</u>

CITY OF WHEATLAND
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
JUNE 30, 2016

	<u>Facilities Fire Department</u>	<u>Community Facilities District Jones Ranch</u>	<u>Heritage Oaks East</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 350	\$ 1,683	\$ -	\$ 185,444
Receivables:				
Accounts receivable	-	-	-	153,423
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,770</u>
TOTAL ASSETS	<u>\$ 350</u>	<u>\$ 1,683</u>	<u>\$ -</u>	<u>\$ 576,637</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ 14,338
Due to other funds	<u>37,770</u>	<u>-</u>	<u>31,416</u>	<u>538,112</u>
TOTAL LIABILITIES	<u>37,770</u>	<u>-</u>	<u>31,416</u>	<u>552,450</u>
FUND BALANCES:				
Restricted for capital projects	<u>(37,420)</u>	<u>1,683</u>	<u>(31,416)</u>	<u>24,187</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 350</u>	<u>\$ 1,683</u>	<u>\$ -</u>	<u>\$ 576,637</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED JUNE 30, 2016

	Emergency Fire	Storm Drainage	Road Circulation	Community Center	City Hall
REVENUES:					
Tax revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-
Reimbursements and refunds	-	-	-	-	-
Use of money and property	29	151	524	17	13
Grant revenue	-	-	-	-	-
Other revenue	-	-	-	-	-
TOTAL REVENUES	<u>29</u>	<u>151</u>	<u>524</u>	<u>17</u>	<u>13</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	529
Public safety	-	-	-	-	-
Public works	-	-	-	853	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>853</u>	<u>529</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>29</u>	<u>151</u>	<u>524</u>	<u>(836)</u>	<u>(516)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(18,900)	-	(7,250)
TOTAL OTHER FINANCING	<u>-</u>	<u>-</u>	<u>(18,900)</u>	<u>-</u>	<u>(7,250)</u>
NET CHANGE IN FUND BALANCES	29	151	(18,376)	(836)	(7,766)
FUND BALANCE, July 1	<u>7,076</u>	<u>37,452</u>	<u>214,987</u>	<u>4,239</u>	<u>157,346</u>
FUND BALANCE, June 30	<u>\$ 7,105</u>	<u>\$ 37,603</u>	<u>\$ 196,611</u>	<u>\$ 3,403</u>	<u>\$ 149,580</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2016

	<u>Regional Bypass</u>	<u>Constr- uction</u>	<u>Parks Fund</u>	<u>Traffic Safety</u>	<u>Equip- ment</u>
REVENUES:					
Tax revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-
Reimbursements and refunds	-	-	-	-	-
Use of money and property	16	-	51	4	-
Grant revenue	-	7,525	-	-	-
Other revenue	-	60	-	-	-
TOTAL REVENUES	<u>16</u>	<u>7,585</u>	<u>51</u>	<u>4</u>	<u>-</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	137,150	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>137,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16</u>	<u>(91,565)</u>	<u>51</u>	<u>4</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	38,000	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING	<u>-</u>	<u>38,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	16	(91,565)	51	4	-
FUND BALANCE, July 1	<u>4,174</u>	<u>(37,558)</u>	<u>12,636</u>	<u>1,055</u>	<u>3</u>
FUND BALANCE, June 30	<u>\$ 4,190</u>	<u>\$ (129,123)</u>	<u>\$ 12,687</u>	<u>\$ 1,059</u>	<u>\$ 3</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2016

	Infrastructure Committee	Police	Facilities Public Works	Public Meeting
REVENUES:				
Tax revenues	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Licenses, fees and permits	-	-	-	-
Reimbursements and refunds	-	-	-	-
Use of money and property	(1)	1	14	19
Grant revenue	-	-	-	-
Other revenue	-	-	-	-
TOTAL REVENUES	<u>(1)</u>	<u>1</u>	<u>14</u>	<u>19</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1)</u>	<u>1</u>	<u>14</u>	<u>19</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1)</u>	<u>1</u>	<u>14</u>	<u>19</u>
FUND BALANCE, July 1	<u>(297)</u>	<u>341</u>	<u>3,416</u>	<u>(195,271)</u>
FUND BALANCE, June 30	<u>\$ (298)</u>	<u>\$ 342</u>	<u>\$ 3,430</u>	<u>\$ (195,252)</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
NONMAJOR CAPITAL PROJECT FUNDS (Continued)
FISCAL YEAR ENDED JUNE 30, 2016

	<u>Facilities</u>	<u>Community Facilities District</u>		
	<u>Fire</u>	<u>Jones</u>	<u>Heritage</u>	
	<u>Department</u>	<u>Ranch</u>	<u>Oaks East</u>	<u>Total</u>
REVENUES:				
Tax revenues	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Licenses, fees and permits	-	-	-	-
Reimbursements and refunds	-	-	-	-
Use of money and property	2	7	(126)	721
Grant revenue	-	-	-	7,525
Other revenue	-	-	-	60
	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
TOTAL REVENUES	<u>2</u>	<u>7</u>	<u>(126)</u>	<u>8,306</u>
EXPENDITURES:				
Current:				
General government	-	-	735	1,264
Public safety	-	-	-	-
Public works	-	-	-	853
Capital outlay	-	-	-	137,150
	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,150</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>735</u>	<u>139,267</u>
EXCESS (DEFICIT) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>2</u>	<u>7</u>	<u>(861)</u>	<u>(130,961)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	18,900	-	-	56,900
Transfers out	(37,770)	-	-	(63,920)
	<u>(18,870)</u>	<u>-</u>	<u>-</u>	<u>7,020</u>
TOTAL OTHER FINANCING	<u>(18,870)</u>	<u>-</u>	<u>-</u>	<u>7,020</u>
NET CHANGE IN FUND BALANCES	(18,868)	7	(861)	(137,981)
FUND BALANCE, July 1	(18,552)	1,676	(30,555)	162,168
FUND BALANCE, June 30	<u>\$ (37,420)</u>	<u>\$ 1,683</u>	<u>\$ (31,416)</u>	<u>\$ 24,187</u>

CITY OF WHEATLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2016

	<u>Nicholas Ranch Application Process</u>	<u>Nicholas Ranch- Bishop</u>	<u>Eagle Meadows 1</u>	<u>Eagle Meadows 2&3</u>
ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ 14,342	\$ 15,869
Due from developers	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,342</u>	<u>\$ 15,869</u>
LIABILITIES:				
Accounts payable	\$ 70	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	9,024	423	-	-
TOTAL LIABILITIES	<u>\$ 9,094</u>	<u>\$ 423</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION	<u>\$ (90,94)</u>	<u>\$ (423)</u>	<u>\$ 14,342</u>	<u>\$ 15,869</u>

	<u>Rodden Ranch</u>	<u>AKT Development</u>	<u>Northwest Quadrant</u>	<u>HOP Farm Project</u>
ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,206
Due from developers	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,206</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 921	\$ -	\$ 2,512
Accrued payroll liabilities	-	74	-	-
Due to other funds	3,193	122,070	13,028	-
TOTAL LIABILITIES	<u>\$ 3,193</u>	<u>\$ 123,065</u>	<u>\$ 13,028</u>	<u>\$ 2,512</u>
NET POSITION	<u>\$ (3,193)</u>	<u>\$ (123,065)</u>	<u>\$ (13,028)</u>	<u>\$ 1,694</u>

	<u>James Raney</u>	<u>Sunset Valley</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ -	\$ -	\$ 34,417
Due from developers	-	2,444	2,444
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,861</u>
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 3,503
Accrued payroll liabilities	-	-	74
Due to other funds	6,714	2,500	156,952
TOTAL LIABILITIES	<u>\$ 6,714</u>	<u>\$ 2,500</u>	<u>\$ 160,529</u>
NET POSITION	<u>\$ (6,714)</u>	<u>\$ (56)</u>	<u>\$ (123,668)</u>

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2016

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
<u>NICHOLAS RANCH APPLICATION PROCESS</u>				
ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 2,076	\$ (2,006)	\$ 70
Due to other funds	<u>5,376</u>	<u>3,648</u>	<u>-</u>	<u>9,024</u>
TOTAL LIABILITIES	<u>\$ 5,376</u>	<u>\$ 5,724</u>	<u>\$ (2,006)</u>	<u>\$ 9,094</u>
NET POSITION	<u>\$ (5,376)</u>	<u>\$ -</u>	<u>\$ (3,718)</u>	<u>\$ (9,094)</u>

NICHOLAS RANCH-BISHOP

ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>422</u>	<u>1</u>	<u>-</u>	<u>423</u>
TOTAL LIABILITIES	<u>\$ 422</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 423</u>
NET POSITION	<u>\$ (422)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (423)</u>

EAGLE MEADOWS 1

ASSETS:				
Cash and cash equivalents	\$ 14,307	\$ 35	\$ -	\$ 14,342
TOTAL ASSETS	<u>\$ 14,307</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 14,342</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION	<u>\$ 14,307</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 14,342</u>

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
AGENCY FUNDS (Continued)
JUNE 30, 2016

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
<u>EAGLE MEADOWS 2 AND 3</u>				
ASSETS:				
Cash and cash equivalents	\$ 15,830	\$ 39	\$ -	\$ 15,869
TOTAL ASSETS	<u>\$ 15,830</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 15,869</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION	<u>\$ 15,830</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 15,869</u>
 <u>RODDEN RANCH</u>				
ASSETS:				
Cash and cash equivalents	\$ 631	\$ 2	\$ (633)	\$ -
TOTAL ASSETS	<u>\$ 631</u>	<u>\$ 2</u>	<u>\$ (633)</u>	<u>\$ -</u>
LIABILITIES:				
Accounts payable	\$ 2,321	\$ 3,827	\$ (6,148)	\$ -
Due to other funds	-	3,193	-	3 193
TOTAL LIABILITIES	<u>\$ 2,321</u>	<u>\$ 7,020</u>	<u>\$ (6,148)</u>	<u>\$ 3,193</u>
NET POSITION	<u>\$ (1,690)</u>	<u>\$ 2</u>	<u>\$ (1,505)</u>	<u>\$ (3,193)</u>
 <u>AKT DEVELOPMENT</u>				
ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES:				
Accounts payable	\$ 3,113	\$ 16,148	\$ (18,340)	\$ 921
Accrued payroll liabilities	-	74	-	74
Due to other funds	100,391	21,679	-	122,070
TOTAL LIABILITIES	<u>\$ 103,504</u>	<u>\$ 37,901</u>	<u>\$ (18,340)</u>	<u>\$ 123,065</u>
NET POSITION	<u>\$ (103,504)</u>	<u>\$ -</u>	<u>\$ (19,561)</u>	<u>\$ (123,065)</u>

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
AGENCY FUNDS (Continued)
JUNE 30, 2016

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
<u>NORTHWEST QUADRANT</u>				
ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>12,976</u>	<u>52</u>	<u>-</u>	<u>13,028</u>
TOTAL LIABILITIES	<u>\$ 12,976</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 13,028</u>
NET POSITION	<u>\$ (12,976)</u>	<u>\$ -</u>	<u>\$ (52)</u>	<u>\$ (13,028)</u>
<u>HOP FARM PROJECT</u>				
ASSETS:				
Cash and cash equivalents	\$ 3,743	\$ 8,751	\$ (8,288)	\$ 4,206
TOTAL ASSETS	<u>\$ 3,743</u>	<u>\$ 8,751</u>	<u>\$ (8,288)</u>	<u>\$ 4,206</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 10,797	\$ (8,285)	\$ 2,512
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 10,797</u>	<u>\$ (8,285)</u>	<u>\$ 2,512</u>
NET POSITION	<u>\$ 3,743</u>	<u>\$ 8,751</u>	<u>\$ (10,800)</u>	<u>\$ 1,694</u>
<u>JAMES RANEY</u>				
ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>6,687</u>	<u>27</u>	<u>-</u>	<u>6,714</u>
TOTAL LIABILITIES	<u>\$ 6,687</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 6,714</u>
NET POSITION	<u>\$ (6,687)</u>	<u>\$ -</u>	<u>\$ (27)</u>	<u>\$ (6,714)</u>

CITY OF WHEATLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
AGENCY FUNDS (Continued)
JUNE 30, 2016

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
<u>SUNSET VALLEY</u>				
ASSETS:				
Cash and cash equivalents	\$ -	\$ 39,716	\$ (39,716)	\$ -
Due from developers	-	43,305	(40,861)	2,444
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 83,021</u>	<u>\$ (80,577)</u>	<u>\$ 2,444</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	34,279	7,937	(39,716)	2,500
TOTAL LIABILITIES	<u>\$ 34,279</u>	<u>\$ 7,937</u>	<u>\$ (39,716)</u>	<u>\$ 2,500</u>
NET POSITION	<u>\$ (34,279)</u>	<u>\$ 42,125</u>	<u>\$ (7,902)</u>	<u>\$ (56)</u>
<u>TOTAL OF ALL AGENCY FUNDS</u>				
ASSETS:				
Cash and cash equivalents	\$ 34,511	\$ 48,543	\$ (48,637)	\$ 34,417
Due from developers	-	43,305	(40,861)	2,444
TOTAL ASSETS	<u>\$ 34,511</u>	<u>\$ 91,848</u>	<u>\$ (89,498)</u>	<u>\$ 36,861</u>
LIABILITIES:				
Accounts payable	\$ 5,434	\$ 32,848	\$ (34,779)	\$ 3,503
Accrued payroll liabilities	-	74	-	74
Due to other funds	160,131	36,537	(39,716)	156,952
TOTAL LIABILITIES	<u>\$ 165,565</u>	<u>\$ 69,459</u>	<u>\$ (74,495)</u>	<u>\$ 160,529</u>
NET POSITION	<u>\$ (131,054)</u>	<u>\$ 50,952</u>	<u>\$ (43,566)</u>	<u>\$ (123,668)</u>

**CITY OF WHEATLAND
OTHER REPORTS
JUNE 30, 2016**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Wheatland, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City of Wheatland, California, as of and for the year ended June 30, 2016, which collectively comprise the City of Wheatland, California's basic financial statements and have issued our report thereon dated December 21, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assuring about the City of Wheatland, California's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council and management, and is not intended to be and should not be used by anyone other than these specified parties.



Don Cole & Company
Sacramento, California

December 21, 2016